

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

TUESDAY, THE TWENTY EIGHTH DAY OF JUNE
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE SRI BILAL NAZKI, THE ACTING CHIEF JUSTICE

And

THE HON'BLE MR JUSTICE G.CHANDRAIAH

WRIT PETITION NO : 7335 of 2005

Between:

- 1 P. Satynarayana, Depositor, in Vahini Finance Chit Fund Private Limited,
Mahabubnagar - 509 002.
- 2 L. Prabhakar Rao, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 3 Ballaxmaiah, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 4 K.V.N. Swamy, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 5 V. Jyothi, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 6 T. Galenna, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 7 T. Guru Rao, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 8 Ageer Narasimhulu, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 9 K. Raghunath Chary, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 10 E. Ashappa, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 11 T. Ramulu, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 12 N. Suresh Kumar, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 13 Jaya Laxmi, W/o. J. Murthy, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 14 N. Indira, Depositor,

- in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 15 P.V. Vedantha Charyulu, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 16 T. Amba Rao, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 17 Munjur Ali, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 18 L. Sri Hari, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 19 Madhuri, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 20 T. Veeramani, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 21 Smt. Tahera Begum, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 22 T. Dattu Rao, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.
- 23 Pattabhi Ramulu, Depositor,
in Vahini Finance Chit Fund Private Limited, Mahabubnagar - 509 002.

..... PETITIONER(S)

AND

- 1 M/s. Vahini Finance and Chit Fund Private Limited, Regd. Office 7-5-
108/B, Padmavathi Colony, Mahabubnagar-509 002,
rep by its Managing Director, P. Indrasena Reddy, S/o. Raghava Reddy, R/o.
Flat No. 201, Swathi Apartments, Sri Bhagiratha Colony, Mahabubnagar.
- 2 The Branch Manager, Canara Bank, Mahabubnagar.
- 3 The Collector and District Magistrate, Mahabubnagar District - cum –
Competent Authority, Under A.P. Protection of Depositors of Financial
Establishments Act 1999, Mahabubnagar.
- 4 The Secretary to Government of A.P. Home (General-B) Department,
Secretariat, Hyderabad.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue an Order, direction, or a Writ, more particularly one in the nature of Writ of Mandamus to call for the records and remarks from the Respondents herein relating to (i) inaction of the District Collector, Mahabubnagar and other officials in realizing debt amounts due to the Vahini Finance and Chit Fund Private Limited, Mahabubnagar, and re-paying them to the Petitioners-Depositors, (ii) registering cases by the authorities on their own and harassing in the name of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 and

deliberately removing a few promoters of the Vahini Finance and Chit Fund Pvt. Ltd., Mahabubnagar, from the case, by Joining hands with defaulters, and to pass appropriate orders directing the concerned authorities to appoint a Special Officer to realize debts due to the Vahini Finance and Chit Fund Private Limited, Mahabubnagar, by seizing the properties of the defaulters and by seizing the amount of Rs. 50 Lakhs deposited by the Vahini Finance and Chit Fund Private Limited, Mahabubnagar, in the Canara Bank, Mahabubnagar, and repay the deposit amounts to the petitioners -Depositors in the interest of justice and to pass such other or further orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

Counsel for the Petitioners : PETITION

Counsel for the Respondents : GP FOR HOME

The Court made the following :

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ORDER : (per Hon'ble Sri Bilal Nazki, ACJ)

On a letter having been written by sufferer depositors of Vahini Finance and Chit Funds (Pvt) Limited, Mahabubnagar, the letter was taken up as a writ petition on orders of the then Chief Justice.

The petitioners stated that they were depositors of Vahini Finance and Chit Funds (Pvt) Limited, Mahabubnagar and the authorities have registered cases against them and are harassing them and few promoters of the Chit Fund were deliberately removed from the case and they joined hands with defaulters and were obstructing from realization of debts due, to the Chit Fund. The District Collector and other officials are not taking any action to realize the amount and pay to the depositors.

Counter has been filed. The Collector has given in detail, the steps he has already taken to realize the debts. In paragraph 4, it has been stated that the Superintendent of Police, Mahabubnagar conducted an enquiry and gave a report on 16.5.2003. In this report, it was stated that some of the accused persons were selling away their properties to third parties to avoid liability under the provisions of the A.P. Protection of Depositors of Financial Establishments Act, 1999. After examining the report of the Superintendent of Police, report was sent to the Government on 02.6.2003, recommending for attachment of the properties of the Managing Directors and Directors of

M/s.Vahini Finance & Chit Fund (Pvt) Ltd. The properties were seized pending the orders of the Government. Subsequently, the Government passed the orders and the properties have now been attached.

In this view of the matter, we do not think any further orders are needed to be passed in this writ petition, which is accordingly dismissed. No order as to costs.

(BILAL NAZKI, ACJ)

28th June 2005.

(G. CHANDRAIAH, J)

ajr

.....REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

- 1 The Collector and District Magistrate, Mahabubnagar District - cum –
Competent Authority, Under A.P. Protection of Depositors of Financial
Establishments Act 1999, Mahabubnagar.
- 2 The Secretary to Government of A.P. Home (General-B) Department,
Secretariat, Hyderabad.
- 3 Two C.Cs. to the GP for Home, High Court buildings,
Hyderabad (O.U.T).
- 4 Two C.D. copies.